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**TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE PUBLIC HEALTH COMMITTEE
MARCH 2, 2009**

I appreciate the opportunity to support Senate Bill 1049, An Act Prohibiting Certain Gifts from Pharmaceutical and Medical Device Companies to Health Care Providers.

This legislation -- modeled after recently enacted Massachusetts law -- prohibits pharmaceutical and medical device manufacturers from providing many types of gifts and compensation to health care providers. The legislation also requires disclosure to the Department of Public Health of any compensation of more than \$1,000 per year to a health care provider. The disclosure shall include the name, address and institutional affiliation of the health care provider and the reason for the payment. Information concerning the payment may be framed to avoid disclosure of trade secrets.

We must stop improper influence of pharma drug money on health care providers. Shocking disclosures about Merck widespread ghost-written reports -- and payments to prestigious health care providers -- vividly demonstrate the industry's audacity and arrogance.

We recognize that certain pharmaceutical drug companies may be taking steps toward self-reform, but we cannot rely solely on such efforts to break an industry attraction -- some might say addiction -- to such practices.

Pharmaceutical drug companies spend billions of dollars annually to market prescription drugs -- most of it directed at health care providers. As multi-national, sophisticated, profit-driven companies, they focus relentlessly on practitioners, seeking enhanced sales and profits.

These gifts and compensation work as intended. In 1994, a study in the Journal of the American Medical Association (JAMA) concluded that physicians who accept money from a drug company are more likely to request that pharmaceutical drugs manufactured by that company be added to a formulary. Since this initial study, research has repeatedly found that pharmaceutical drug company gifts influence health care provider decisions.

A recent federal investigation concerning the hip and knee implant industry listed the various methods of industry influence on physicians, including sham consulting agreements, service contracts with minimal work. Physicians may receive high pay, thousands of dollars, for very little work.

Perhaps the best description of this insidious dynamic is contained in an article by Dr. Daniel Carlat that appeared in the November 25, 2007 New York Times. Dr. Carlat describes in chilling detail how the lure of thousands of dollars in consultant fees led him to rationalize what he was telling fellow health care providers about a particular drug.

The potential for conflicts of interest has persuaded Pharma, the pharmaceutical industry association, the American Medical Association, hospitals and universities to promulgate codes of ethics surrounding interactions between drug companies and health care providers. Some of these codes are very good but their enforceability and scope are severely limited. Even the anti-kickback regulations of the federal Department of Health and Human Services (HHS) apply only to the Medicare and Medicaid programs. While the HHS Office of Inspector General has issued compliance guidelines, they are not per se enforceable.

A state law readily enforceable by our state agencies would protect the physician-patient relationship from drug company influence. This proposal recognizes that health care providers and pharmaceutical companies should interact and exchange ideas and experiences -- but in the sunshine of transparency and disclosure. As the HHS Office of Inspector General pointed out in testimony before the Senate Special Committee on Aging, "in the development of new technologies and products, the interaction between device manufacturers and health care professional can be especially valuable because physicians play an essential role in the development, testing, and extensive training involved in producing effective and safe medical devices..."

Specifically, the proposal prohibits the provision of, or payment for, food or beverage to health care providers except where the food or beverage is being paid for as part of a continuing medical education conference and all participants have equal access to the food or beverage. The proposal also prohibits payments for a health care provider's attendance at a continuing medical education conference except where the provider is a substantive speaker and the payment represents fair market value of the services actually rendered. Finally, under the legislation a pharmaceutical or medical device company would not provide any entertainment or recreations items of value or any items regardless of their limited value, such as pens and notepads.

The proposal allows for a health care provider to be a consultant to a pharmaceutical or medical device company as long as the compensation is reasonable and related to the provider's contribution to the research project.

I urge the committee's favorable consideration of Senate Bill 1049.